Large Power Service Time of Use

AVAILABILITY
Available throughout the Company’s entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY
To applicable power services when all energy is supplied at one point of delivery and through one metered service.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service. Service under this rate will commence when the appropriate meter has been installed.

Customers may switch between applicable rate tariffs once in a rolling twelve month period.

CHARACTER OF SERVICE
Service shall be three-phase, 60 Hertz, Primary Service, and shall be supplied directly from any 46,000 volt, or higher voltage, system at a delivery voltage of not less than 13,800 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATE
A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF BASIC SERVICE, DEMAND AND ENERGY CHARGES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Service Charge, per month</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Demand Charges (per kW):</td>
<td></td>
</tr>
<tr>
<td>Summer On-peak</td>
<td>$22.65</td>
</tr>
<tr>
<td>Summer Off-peak Excess Demand</td>
<td>$14.69</td>
</tr>
<tr>
<td>Winter On-peak</td>
<td>$17.00</td>
</tr>
<tr>
<td>Winter Off-peak Excess Demand</td>
<td>$14.58</td>
</tr>
<tr>
<td>Energy Charges (per kWh):</td>
<td>$0.00710</td>
</tr>
<tr>
<td>Power Supply Charges (per kWh) (May – September)</td>
<td>$0.052350 – $0.025760</td>
</tr>
<tr>
<td>Power Supply Charges (per kWh) (October – April)</td>
<td>$0.033550 – $0.025660</td>
</tr>
</tbody>
</table>

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost of purchased power and fuel.

Filed By: Kentton C. Grant  
Title: Vice President, Rates and Planning  
District: Entire Electric Service Area  
Rate: TILPST  
Effective: February 27, 2017  
Decision No.: 75975
TIME-OF-USE TIME PERIODS
The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

BILLING DEMAND
The monthly On-Peak billing demand shall be the greatest of the following:

1. The greatest measured 15-minute interval demand read of the meter during the on-peak hours of the billing period;
2. 75% of the greatest on-peak period billing demand used for billing purposes in the preceding 11 months;
3. The contract capacity or 3,000 kW, whichever is greater

Additionally, the monthly Off-Peak Excess demand shall be the greatest measured 15-minute interval demand read of the meter during the off-peak hours of the billing period that is in excess (i.e. positive incremental amount above) of 150% of that billing period's On-Peak measured demand.

PRIMARY SERVICE
The above rate is subject to Primary Service and Metering. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The energy and demand shall be metered on primary side of transformers.

The Customer agrees to maintain, as nearly as practicable, a unity power factor. In the event that the Customer's power factor for any billing month is less than ninety-five percent (95%), an adjustment shall be applied to the bill as follows:

POWER FACTOR ADJUSTMENT
(Maximum Demand / (.05 + PF) - Maximum Demand) x Demand Charge Where Maximum Demand is the highest measured fifteen (15) minute demand in kilowatts during the billing period.
POWER FACTOR

1. The Company may require the Customer by written notice to either maintain a specified minimum lagging power factor or the Company may after thirty (30) days install power factor corrective equipment and bill the Customer for the total costs of this equipment and installation.

2. In the case of apparatus and devices having low power factor, now in service, which may hereafter be replaced, and all similar equipment hereafter installed or replaced, served under general commercial schedules, the Company may require the Customer to provide, at the Customer’s own expense, power factor corrective equipment to increase the power factor of any such devices to not less than ninety (90) percent.

3. If the Customer installs and owns the capacitors needed to supply their reactive power requirements, then the Customer must equip them with suitable disconnecting switches, so installed that the capacitors will be disconnected from the Company’s lines whenever the Customer’s load is disconnected from the Company’s facilities.

4. Gaseous tube installations totaling more than one thousand (1,000) volt-amperes must be equipped with capacitors of sufficient rating to maintain a minimum of ninety percent (90%) lagging power factor.

5. Company installation and removal of metering equipment to measure power factor will be at the discretion of the Company.

DIRECT ACCESS
A Customer’s Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer’s bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE
A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES
For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP’s website at www.tep.com.

TAX CLAUSE
To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President, Rates and Planning
District: Entire Electric Service Area
Rate: TILPST
Effective: February 27, 2017
Decision No.: 75975
**RULES AND REGULATIONS**
The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

**ADDITIONAL NOTES**
Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

**BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:**

<table>
<thead>
<tr>
<th>Basic Service Charge Components (Unbundled)(Per Month)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter Services</td>
<td>$117.97</td>
</tr>
<tr>
<td>Meter Reading</td>
<td>$4.76</td>
</tr>
<tr>
<td>Billing &amp; Collection</td>
<td>$368.17</td>
</tr>
<tr>
<td>Customer Delivery</td>
<td>$1,509.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
</tbody>
</table>

**Demand Charges (Unbundled)(per kW):**

**Demand Delivery**
- Summer On-Peak                                             $6.43
- Summer Off-Peak Excess                                     $2.67
- Winter On-Peak                                             $2.98
- Winter Off-Peak Excess                                     $5.56

**Generation Capacity**
- Summer On-Peak                                             $10.20
- Summer Off-Peak Excess                                     $6.00
- Winter On-Peak                                             $8.00
- Winter Off-Peak Excess                                     $3.00

**Fixed Must-run**                                           $1.73

**Transmission**                                             $3.34

**System Control & Dispatch**                                $0.05

**Reactive Supply & Voltage Control**                        $0.18

**Regulation & Frequency Response**                          $0.17

**Spinning Reserve Service**                                 $0.47

**Supplemental Reserve Service**                             $0.08

Energy Imbalance Service: Currently charged pursuant to the Company's OATT.

**Energy Charges ($/kWh)**                                   $0.007100
Power Supply Charges (Unbundled)(Per kWh):

<table>
<thead>
<tr>
<th>Season</th>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Power Supply Summer (May – September)</td>
<td>On-Peak</td>
<td>$0.052350</td>
</tr>
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<td>Base Power Supply Summer (May – September)</td>
<td>Off-Peak</td>
<td>$0.025760</td>
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<td>On-Peak</td>
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<td>$0.025660</td>
</tr>
<tr>
<td>PPFAC</td>
<td></td>
<td>In accordance with Rider 1</td>
</tr>
</tbody>
</table>